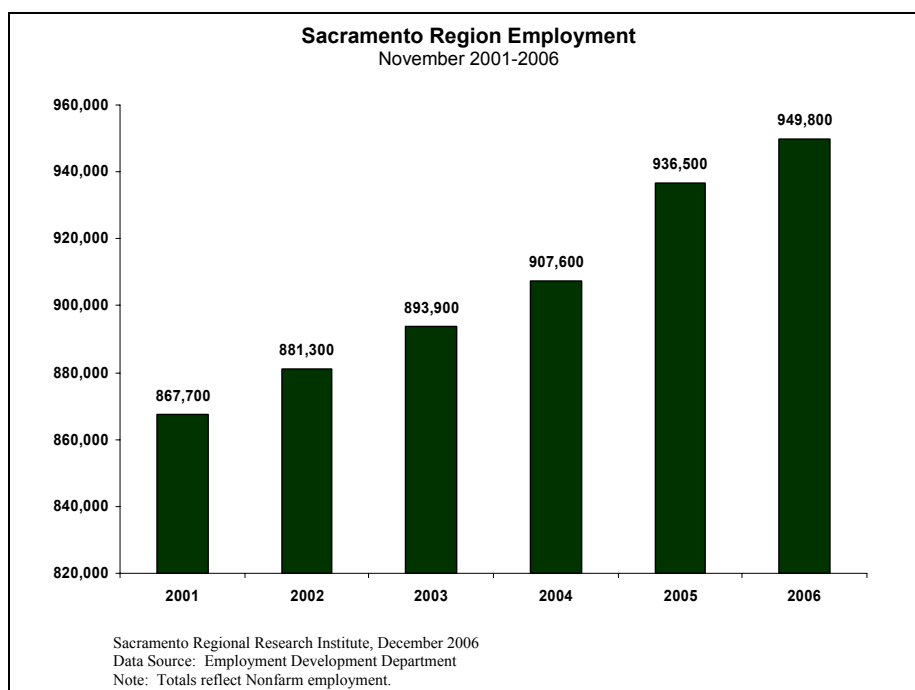
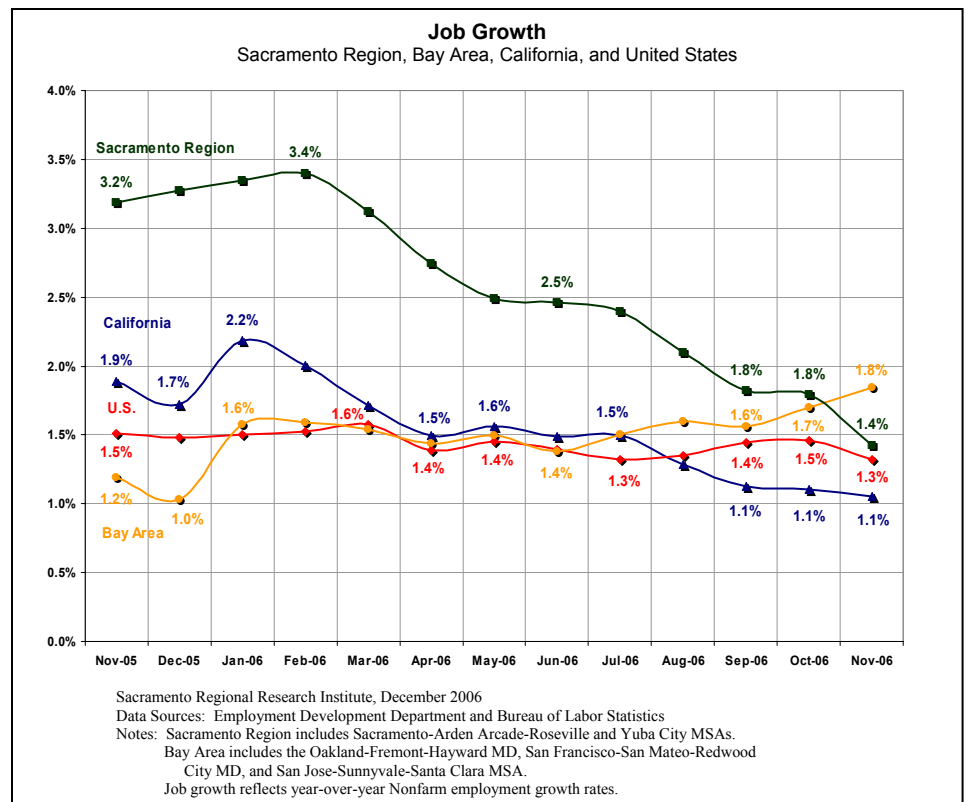


### EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

*Job growth in the Sacramento Region continued to slide in November 2006, showing growth rates lower than the Region has experienced in a couple years, but still above the statewide and national averages.*

The six-county Sacramento Region continued its pattern of declining job growth in November 2006, falling to 1.4 percent year-over-year employment growth (a gain of 13,300 jobs). This reflects a 2 percentage point decline from the February 2006 peak of 3.4 percent. Sacramento has not seen employment growth rates at this level since mid-2004. The Region's recent declines are primarily a result of housing-related slowdowns combined with diminishing growth in a few other large sectors. Even with the descending job growth, the Region has remained above the statewide and national averages in recent months.

Declines also persisted at the statewide level with job growth falling over 1 percentage point since the beginning of 2006. Between November 2005 and 2006, the state posted 1.1 percent employment growth (an addition of 157,900 jobs), notably lower than rates seen at the beginning of the year due to weakening growth in housing-related sectors. For the fourth straight month, the state's job growth has fallen below the national average.



The nation sustained its stable pattern of modest job growth through November 2006. In the past 12 months, the nation posted 1.3 percent employment growth (an increase of 1.8 million jobs), slightly stronger than California's November 2006 job growth.

In November 2006, the Bay Area reached a new milestone in its economic recovery—its job growth surpassed the Sacramento Region in addition to the statewide and national averages. From November 2005 to 2006, the Bay Area posted 1.8 percent employment growth (a gain of 53,100 jobs). After showing a relatively flat job growth pattern from January to June 2006, unlike the state and the Sacramento Region, the Bay Area has experienced increasing job growth in recent months due to improving conditions in most sectors (with the exception of those related to housing).

*The Sacramento Region's Manufacturing sector shifted to year-over-year job losses in November 2006 while Government posted the largest employment gains.*

For the second month in a row, the Government sector placed at the top of the list of sectors posting the greatest year-over-year job gains in the Sacramento Region, followed by Leisure & Hospitality and Professional & Business Services. Together, these three sectors added 13,000 jobs over the past 12 months (almost 98 percent of the Region's net employment gain). Since the beginning of the year, three sectors have seen notable slowdowns, falling to negative employment growth in recent months—Construction, Financial Activities, and Manufacturing. Housing-related declines have been concentrated in the Region's Construction and Financial Activities sectors, which have both posted negative job growth in the past few months. Growth in the Manufacturing sector has been slowly tapering-off since the spring months, dropping to year-over-year job losses in November 2006. While still adding jobs, slower growth in the Professional & Business Services and Trade, Transportation, & Utilities sectors has also been pulling the Region's overall job growth down.

Major Sector Employment Gains and Losses Sacramento Region, California, and Bay Area			
Sector	November 2005-2006		
	Sacramento Region	California	Bay Area
Total Nonfarm	13,300	157,900	53,100
Private Sector	8,000	119,300	47,500
Public Sector	5,300	38,600	5,600
Government	5,300	38,600	5,600
Leisure & Hospitality	4,300	34,000	8,100
Prof. & Business Svcs.	3,400	46,700	12,900
Edu. & Health Svcs.	2,400	27,200	6,700
Trade, Trans., & Util.	400	8,600	6,100
Other Services	200	8,700	700
Nat. Res. & Mining	0	1,300	100
Manufacturing	-300	-1,000	2,900
Financial Activities	-400	10,900	3,500
Information	-500	-6,900	-400
Construction	-1,500	-10,200	6,900

Sacramento Regional Research Institute, December 2006  
Data Source: Employment Development Department

Professional & Business Services; Leisure & Hospitality; and Government also contributed the largest job gains in the state between November 2005 and 2006. The state's Construction sector shed jobs for the second straight month, but Financial Activities continued to add jobs on a year-over-year basis. Halting the recent improvements in the state's Manufacturing activities (three months of positive job growth), this sector shifted back to negative job growth in November 2006.

While Professional & Business Services and Leisure & Hospitality also supported some of the strongest job gains in the Bay Area, unlike the state and the Sacramento Region, the Bay Area's Construction sector continued to add jobs and fell toward the top of the list of major sector employment gains for November 2006. Most sectors in the Bay Area have posted stronger job growth in recent months, including the Bay Area's lone sector still experiencing job losses, Information. Only Construction and Financial Activities have added jobs at slower rates over the past few months.

Employment Gains and Losses Components of Sacramento Region and Bay Area		
Area	November 2005-2006	
	Absolute	Rate
Sacramento Region	13,300	1.4%
Sacramento-Arden Arcade-Roseville MSA	13,400	1.5%
Yuba City MSA	-100	-0.2%
Bay Area	53,100	1.8%
Oakland-Fremont-Hayward Div.	19,900	1.9%
San Francisco-San Mateo-Redwood City Div.	19,300	2.0%
San Jose-Sunnyvale-Santa Clara MSA	13,900	1.6%

Sacramento Regional Research Institute, December 2006  
Data Source: Employment Development Department  
Note: Gains and losses reflect Nonfarm employment.

The Yuba City Metropolitan Statistical Area (MSA—Sutter and Yuba Counties) fell to negative year-over-year employment growth in November 2006 with only a handful of sectors posting limited job gains. The Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) drove the Region's overall employment increases supported by growth in the Government; Professional & Business Services; and Leisure & Hospitality sectors.

The Oakland-Fremont-Hayward Metropolitan Division (Alameda and Contra Costa Counties) contributed the greatest amount of jobs to the Bay Area's overall employment increase between November 2005 and 2006 (nearly 38 percent of the net gain) led by growth in Professional & Business Services and Construction. The San Francisco-San Mateo-Redwood City Metropolitan Division (Marin, San Mateo, and San

Francisco Counties) also strongly supported the Bay Area's job growth (close to 37 percent of the net increase) driven by Professional & Business Services gains while the San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) continued to produce modest job gains supported by the Professional & Business Services sector as well.

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